

## Message Text

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67

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 INT-08 L-03 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 SCEM-02 RSR-01

NSC-10 SS-15 STR-08 CEA-02 /148 W

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R 201614Z JUL 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 2781

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E.O. 11652: N/A

TAGS: ENRG, UK

SUBJECT: NORTH SEA OIL AND UK PARTICIPATION IN US

OFFSHORE OIL INDUSTRY

REF: (A) LONDON 2708; (B) LONDON 3504; (C) LONDON 6028;  
(D) GABLE-RYAN TELCON JULY 2; (E) STATE 136258

1. IN RECENT DISCUSSIONS OF MORE DETERMINED HMG EFFORTS TO PROMOTE INCREASED PARTICIPATION OF UK FIRMS IN NORTH SEA OFFSHORE OIL INDUSTRY, VARIOUS PRIVATE COMPANY AND GOVERNMENT OFFICIALS HAVE MADE PASSING REFERENCE TO POSSIBLE US RESTRICTIONS ON LICENSING OF OFFSHORE BLOCKS TO FOREIGN OIL COMPANIES AND, MORE PARTICULARLY, TO US LEGISLATION WHICH EFFECTIVELY PROHIBITS EMPLOYMENT OF FOREIGN VESSELS IN US OFFSHORE INDUSTRY. REFTTEL E NOW ENABLES US TO STATE CATEGORICALLY ON BASIS OF BUREAU OF MINES ADVICE THAT NO FEDERAL REGULATIONS AND NO KNOWN STATE REGULATIONS PRECLUDE GRANTING OF OFFSHORE EXPLORATION AND PRODUCTION PERMITS TO UK FIRMS.

2. WE ARE STILL FACED, HOWEVER, WITH CONTENTION THAT LEGAL RESTRICTIONS AND/OR ADMINISTRATIVE REGULATIONS

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EFFECTIVELY PREVENT OPERATION OF FOREIGN SUPPLY AND

SERVICE VESSELS IN US WATERS. REFTEL B REVIEWED ADVERSE BRITISH PRESS COMMENTARY ON US REGISTERED SUPPORT VESSELS BEING ALLOWED TO WORK IN NORTH SEA WHEREAS UK VESSELS ARE PROHIBITED BY LAW FROM SIMILAR EMPLOYMENT IN US OFFSHORE INDUSTRY, AND ASKED FOR STATEMENT ON APPLICATION OF JONES ACT. REF C REPEATED REQUEST. WE WOULD APPRECIATE SOONEST OFFICIAL INTERPRETATION AS TO HOW JONES ACT RESTRICTIONS, AS AMENDED BY OUTER CONTINENTAL SHELF LAND ACT OF 1953, ARE APPLICABLE TO US OFFSHORE INDUSTRY, REGARDLESS OF THREE MILE OR OTHER LIMITS, AND TO WHAT EXTENT SUCH RESTRICTIONS WOULD HAVE PRACTICAL EFFECT ON OPERATIONS OF UK OWNED VESSELS. IN ADDITION, WE WOULD BE INTERESTED IN WHAT AMENDMENTS TO SUCH LAWS OR REGULATIONS WOULD BE REQUIRED, AND MIGHT BE UNDER CONSIDERATION, IN ORDER TO PROVIDE RECIPROCAL TREATMENT FOR UK SHIPS OPERATING IN US WATERS.

4. EMBASSY ALSO WOULD APPRECIATE INFORMATION ON ANY OTHER US LAWS OR ADMINISTRATIVE RESTRICTIONS WHICH ENCOURAGE OR REQUIRE PROCUREMENT FROM US RATHER THAN FOREIGN SOURCES OF GOODS OR SERVICES REQUIRED FOR US OFFSHORE OIL OPERATIONS.

5. DEPARTMENT PLEASE PASS ED GABLE, BUREAU OF CUSTOMS, TREASURY DEPARTMENT, WHO INDICATED IN RYAN TELCON WILLINGNESS TO ASSIST IN PREPARING RESPONSE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Original Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
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**TAGS:** ENRG, UK  
**To:** STATE  
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